

House Bill 1295

By: Representatives Geisinger of the 48th, Willard of the 49th, Lindsey of the 54th, Wilkinson of the 52nd, Burns of the 157th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 44 of Title 36 of the Official Code of Georgia Annotated, relating to
2 redevelopment powers, so as to provide for the issuance of tax allocation bonds by two or
3 more political subdivisions; to provide for the issuance of tax allocations bonds by
4 redevelopment agencies; to change certain provisions regarding definitions; to change certain
5 provisions regarding redevelopment of powers of political subdivisions; to change certain
6 provisions regarding delegation of redevelopment powers to a redevelopment agency; to
7 change certain provisions regarding computation of tax allocation increments of tax
8 allocation districts; to change certain provisions regarding allocation of positive tax
9 allocation increments; to change certain provisions regarding payment of redevelopment
10 costs; to change certain provisions regarding issuance of tax allocation bonds; to change
11 certain provisions regarding loans for financing redevelopment costs; to repeal conflicting
12 laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

14 **SECTION 1.**

15 Chapter 44 of Title 36 of the Official Code of Georgia Annotated, relating to redevelopment
16 powers, is amended by revising Code Section 36-44-3, relating to definitions regarding
17 redevelopment powers, as follows:

18 "36-44-3.

19 As used in this chapter, the term:

20 (1) 'Ad valorem property taxes' means all ad valorem property taxes levied by each
21 political subdivision and each county and independent board of education consenting to
22 the inclusion of that board of education's property taxes as being applicable to a tax
23 allocation district as provided by Code Section 36-44-9, except:

24 (A) Those ad valorem property taxes levied to repay bonded indebtedness;

25 (B) Unless otherwise provided in the resolution creating such district, those ad valorem
26 property taxes levied on personal property or on motor vehicles; and

(C) Unless otherwise provided in the resolution creating such district, those ad valorem property taxes levied on the assessed value of property owned by public utilities and railroad companies, as determined pursuant to the provisions of Chapter 5 of Title 48.

(2) 'Area of operation' means, in the case of a municipality or its redevelopment agency, the territory lying within the corporate limits of such municipality; in the case of a county or its redevelopment agency, the territory lying within the unincorporated area of the county; and, in the case of a consolidated government or its redevelopment agency, the area lying within the territorial boundaries of the consolidated government. 'Area of operation' may also mean the combined areas of operation of political subdivisions which participate in the creation of a common redevelopment agency to serve such participating political subdivisions as provided in subsection (d) of Code Section 36-44-4.

(3) 'Local legislative body' means the official or body in which the legislative powers of a political subdivision are vested.

(4) 'Political subdivision' means for purposes of this chapter:

(A) Any any county, municipality, or consolidated government of this state; or

(B) Each county, municipality, or consolidated government of this state which has formed a common redevelopment agency as set forth in paragraph (2) of this Code section with jurisdiction over a portion of a combined area of operation.

(5) 'Redevelopment' means any activity, project, or service necessary or incidental to achieving the development or revitalization of a redevelopment area or a portion thereof designated for redevelopment by a redevelopment plan or the preservation or improvement of historical or natural assets within a redevelopment area or a portion thereof designated for redevelopment by a redevelopment plan. Without limiting the generality of the foregoing, redevelopment may include any one or more of the following:

(A) The construction of any building or other facility for use in any business, commercial, industrial, governmental, educational, charitable, or social activity;

(B) The renovation, rehabilitation, reconstruction, remodeling, repair, demolition, alteration, or expansion of any existing building or other facility for use in any business, commercial, industrial, governmental, educational, charitable, or social activity;

(C) The construction, reconstruction, renovation, rehabilitation, remodeling, repair, demolition, alteration, or expansion of public or private housing;

(D) The construction, reconstruction, renovation, rehabilitation, remodeling, repair, demolition, alteration, or expansion of public works or other public facilities necessary or incidental to the provision of governmental services;

(E) The identification, preservation, renovation, rehabilitation, reconstruction, remodeling, repair, demolition, alteration, or restoration of buildings or sites which are of historical significance;

(F) The preservation, protection, renovation, rehabilitation, restoration, alteration, improvement, maintenance, and creation of open spaces or green spaces;

(G) The development, construction, reconstruction, repair, demolition, alteration, or expansion of structures, equipment, and facilities for mass transit;

(H) The development, construction, reconstruction, renovation, rehabilitation, repair, demolition, alteration, or expansion of telecommunication infrastructure;

(I) The development, construction, reconstruction, renovation, rehabilitation, repair, demolition, alteration, or expansion of facilities for the improvement of pedestrian access and safety;

(J) Improving or increasing the value of property; and

(K) The acquisition and retention or acquisition and disposition of property for redevelopment purposes or the use for redevelopment purposes of property already owned by a political subdivision or any agency or instrumentality thereof.

(6) 'Redevelopment agency' means the local legislative body of a political subdivision or a public body corporate and politic created as the redevelopment agency of the political subdivision or an existing public body corporate and politic designated as the redevelopment agency of the political subdivision pursuant to Code Section 36-44-4.

(7) 'Redevelopment area' means:

(A) Any urbanized or developed area in which the structures, buildings, or improvements, by reason of dilapidation, deterioration, age, or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, high unemployment, juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or welfare;

(B) Any urbanized or developed area which by reason of the presence of a predominant number of substandard, slum, deteriorated, or deteriorating structures; the predominance of defective or inadequate street layout, inadequate parking, roadways, bridges, or public transportation facilities incapable of handling the volume of traffic flow into or through the area, either at present or following proposed redevelopment; the faulty lot layout in relation to size, adequacy, accessibility, or usefulness; unsanitary or unsafe conditions; deterioration of site or other improvements; the diversity of ownership, tax, or special assessment delinquency exceeding the fair value of the land; diversity of ownership on defective or unusual conditions of title which prevent or encumber the free alienability of land; or the existence of conditions which endanger life or property by fire and other causes; or any combination of the foregoing, substantially impairs or arrests the sound growth of the community, retards the

1 provision of housing accommodations or employment opportunities; or constitutes an
2 economic or social liability and is a menace to the public health, safety, morals, or
3 welfare in its present condition and use;

4 (C) Any open area located within an urbanized or developed area within the corporate
5 limits of a municipality which because of any factor or combination of factors
6 enumerated in subparagraph (A) or (B) of this paragraph substantially impairs or arrests
7 the sound growth of the community;

8 (D) Any area located within an urbanized or developed area and which, immediately
9 prior to becoming an open area, qualified as a redevelopment area under subparagraph
10 (A) or (B) of this paragraph;

11 (E) Any area located within an urbanized or developed area which is substantially
12 underutilized by containing open lots or parcels of land or by containing a substantial
13 number of buildings or structures which are 40 years old or older or by containing
14 structures or buildings of relatively low value as compared to the value of structures or
15 buildings in the vicinity of the area or by having development impaired by airport and
16 related transportation noise or by related environmental factors or an area in which
17 there is a shortage of housing that is affordable for persons of low or moderate income
18 which the local legislative body designates as appropriate for community
19 redevelopment or by any combination of the foregoing factors;

20 (F) Any geographic area designated within the comprehensive plan of a political
21 subdivision for redevelopment which has previously been developed for commercial,
22 residential, industrial, office, or similar or ancillary uses and which lies within the
23 service delivery area of the political subdivision, in which the current condition of the
24 area is less desirable than the redevelopment of the area for new commercial,
25 residential, industrial, office, or other uses, or a combination of uses, including the
26 provision of open space or pedestrian and transit improvements, and any geographic
27 area that is adversely affected by airport or transportation related noise or other
28 environmental degradation, contamination, or other environmental factors which the
29 political subdivision has determined to be impairing or retarding the redevelopment of
30 the area;

31 (G) Any urbanized or developed area or an area connecting two or more urbanized or
32 developed areas that has been subject to some development but which has inadequate
33 roadways, bridges, or public transportation or transit facilities incapable of handling the
34 volume of traffic or passenger flow in or through the area in a safe and efficient manner
35 either at present or following proposed redevelopment; or

36 (H) Any area constituted of the combined areas of operation of political subdivisions
37 which have formed a common redevelopment agency as provided for in subsection (d)

1 of Code Section 36-44-4 for the purpose of accomplishing a regional impact project
2 determined, as provided in subparagraph (S) of paragraph (9) of this Code section, to
3 be a project of regional significance and which could not be reasonably implemented
4 without two or more political subdivisions acting jointly or in cooperation by forming
5 a tax allocation district to service a combined redevelopment area; or

6 (I) Any area combining any factors specified in subparagraphs (A) through (G) (H) of
7 this paragraph.

8 (8) 'Redevelopment costs' means any expenditures made or estimated to be made or
9 monetary obligations incurred or estimated to be incurred to achieve the redevelopment
10 of a redevelopment area or any portion thereof designated by a redevelopment plan or any
11 expenditures made to carry out or exercise any powers granted by this chapter. Without
12 limiting the generality of the foregoing, redevelopment costs may include any one or
13 more of the following:

14 (A) Capital costs, including the costs incurred or estimated to be incurred for the
15 construction of public works or improvements, new buildings, structures, and fixtures;
16 the renovation, rehabilitation, reconstruction, remodeling, repair, demolition, alteration,
17 or expansion of existing buildings, structures, and fixtures; the acquisition of
18 equipment; and the clearing and grading of land;

19 (B) Financing costs, including, but not limited to, all necessary and incidental expenses
20 related to the issuance of obligations and which may include payment of interest on any
21 obligations issued under this chapter occurring during the estimated period of
22 construction of any project with respect to which any capital costs within the meaning
23 of subparagraph (A) of this paragraph are financed in whole or in part by such
24 obligations and for a period not to exceed 42 months after completion of any such
25 construction and including reasonable reserves related thereto and all principal and
26 interest paid to holders of evidences of indebtedness issued to pay for other
27 redevelopment costs and any premium paid over the principal amount thereof because
28 of the redemption of such obligations prior to maturity;

29 (C) Professional service costs, including those costs incurred for architectural,
30 planning, engineering, financial, marketing, and legal advice and services;

31 (D) Imputed administrative costs, including reasonable charges for the time spent by
32 public employees in connection with the implementation of a redevelopment plan;

33 (E) Relocation costs as authorized by a redevelopment plan for persons or businesses
34 displaced by the implementation of a redevelopment plan, including but not limited to,
35 those relocation payments made following condemnation under Chapter 4 of Title 22,
36 'The Georgia Relocation Assistance and Land Acquisition Policy Act';

1 (F) Organizational costs, including the costs of conducting environmental impact and
2 other studies, and the costs of informing the public with respect to the creation and
3 implementation of redevelopment plans;

4 (G) Payments to a political subdivision or board of education in lieu of taxes to
5 compensate for any loss of tax revenues or for any capital costs incurred because of
6 redevelopment activity; provided, however, that any such payments to a political
7 subdivision or board of education shall not exceed in any year the amount of the
8 contribution to the tax allocation increment in that year by such political subdivision
9 or board of education; and

10 (H) Real property assembly costs.

11 (9) 'Redevelopment plan' means a written plan of redevelopment for a redevelopment
12 area or a designated portion thereof which:

13 (A) Specifies the boundaries of the proposed redevelopment area;

14 (B) Explains the grounds for a finding by the local legislative body that the
15 redevelopment area on the whole has not been subject to growth and development
16 through private enterprise and would not reasonably be anticipated to be developed
17 without the approval of the redevelopment plan or that the redevelopment area includes
18 one or more natural or historical assets which have not been adequately preserved or
19 protected and such asset or assets would not reasonably be anticipated to be adequately
20 preserved or protected without the approval of the redevelopment plan;

21 (C) Explains the proposed uses after redevelopment of real property within the
22 redevelopment area;

23 (D) Describes any redevelopment projects within the redevelopment area proposed to
24 be authorized by the redevelopment plan, estimates the cost thereof, and explains the
25 proposed method of financing such projects;

26 (E) Describes any contracts, agreements, or other instruments creating an obligation
27 for more than one year which are proposed to be entered into by the political
28 subdivision or its redevelopment agency or both for the purpose of implementing the
29 redevelopment plan;

30 (F) Describes the type of relocation payments proposed to be authorized by the
31 redevelopment plan;

32 (G) Includes a statement that the proposed redevelopment plan conforms with the local
33 comprehensive plan, master plan, zoning ordinance, and building codes of the political
34 subdivision or explains any exceptions thereto;

35 (H) Estimates redevelopment costs to be incurred or made during the course of
36 implementing the redevelopment plan;

1 (I) Recites the last known assessed valuation of the redevelopment area and the
2 estimated assessed valuation after redevelopment;

3 (J) Provides that property which is to be redeveloped under the plan and which is either
4 designated as a historic property under Article 2 of Chapter 10 of Title 44, the 'Georgia
5 Historic Preservation Act,' or is listed on or has been determined by any federal agency
6 to be eligible for listing on the National Register of Historic Places will not be:

7 (i) Substantially altered in any way inconsistent with technical standards for
8 rehabilitation; or

9 (ii) Demolished unless feasibility for reuse has been evaluated based on technical
10 standards for the review of historic preservation projects,
11 which technical standards for rehabilitation and review shall be those used by the state
12 historic preservation officer, although nothing in this subparagraph shall be construed
13 to require approval of a redevelopment plan or any part thereof by the state historic
14 preservation officer;

15 (K) Specifies the proposed effective date for the creation of the tax allocation district
16 and the proposed termination date;

17 (L) Contains a map specifying the boundaries of the proposed tax allocation district
18 and showing existing uses and conditions of real property in the proposed tax allocation
19 district;

20 (M) Specifies the estimated tax allocation increment base of the proposed tax
21 allocation district;

22 (N) Specifies ad valorem property taxes for computing tax allocation increments
23 determined in accordance with Code Section 36-44-9 and supported by any resolution
24 required under paragraph (3) of Code Section 36-44-8;

25 (O) Specifies the amount of the proposed tax allocation bond issue or issues and the
26 term and assumed rate of interest applicable thereto;

27 (P) Estimates positive tax allocation increments for the period covered by the term of
28 the proposed tax allocation bonds;

29 (Q) Specifies the property proposed to be pledged for payment or security for payment
30 of tax allocation bonds which property may include positive tax allocation increments
31 derived from the tax allocation district, all or part of general funds derived from the tax
32 allocation district, and any other property from which bonds may be paid under Code
33 Section 36-44-14, subject to the limitations of Code Sections 36-44-9 and 36-44-20;
34 ~~and~~

35 (R) Includes such other information as may be required by resolution of the political
36 subdivision whose area of operation includes the proposed redevelopment area; and

1 (S) Explains, in the case of a redevelopment plan for a combined area of operation, the
2 grounds for a finding by each local legislative body that the goals of the redevelopment
3 plan could not be reasonably attained without two or more political subdivisions acting
4 jointly or in cooperation.

5 (10) 'Resolution' means a resolution or ordinance by which a local legislative body takes
6 official legislative action, and any duly-adopted amendment thereto.

7 (11) 'Special fund' means the fund provided for in subsection (c) of Code Section
8 36-44-11.

9 (12) 'Tax allocation bonds' means one or more series of bonds, notes, or other obligations
10 issued by a political subdivision or by political subdivisions acting jointly or in
11 cooperation with one another or by or through a common redevelopment agency to serve
12 such participating political subdivisions as provided in subsection (d) of Code section
13 36-44-4 to finance, wholly or partly, redevelopment costs within a tax allocation district
14 and which are issued on the basis of pledging for the payment or security for payment of
15 such bonds positive tax allocation increments derived from the tax allocation district, all
16 or part of general funds derived from the tax allocation district, and any other property
17 from which bonds may be paid under Code Section 36-44-14, as determined by the
18 political subdivision subject to the limitations of Code Sections 36-44-9 and 36-44-20.
19 Tax allocation bonds shall not constitute debt within the meaning of Article IX, Section
20 V of the Constitution. Tax allocation bonds issued by a common redevelopment agency
21 may be secured by an intergovernmental agreement entered into by the local legislative
22 body of one or more political subdivisions acting jointly or in cooperation with one
23 another according to the subject redevelopment plan as authorized by this chapter or by
24 Article IX, Section III, Paragraph I(a) of the Constitution.

25 (13) 'Tax allocation district' means a contiguous geographic area within a redevelopment
26 area which is defined and created by resolution of the local legislative body of a political
27 subdivision or by political subdivisions acting jointly or in cooperation with one another
28 or by a common redevelopment agency to serve such participating political subdivisions
29 as provided in subsection (d) of Code section 36-44-4 pursuant to subparagraph (B) of
30 paragraph (3) of Code Section 36-44-8 for the purpose of issuing tax allocation bonds to
31 finance, wholly or partly, redevelopment costs within the area.

32 (14) 'Tax allocation increment' means that amount obtained by multiplying the total ad
33 valorem property taxes, determined as provided in Code Section 36-44-9, levied within
34 a tax allocation district in any year by a fraction having a numerator equal to that year's
35 taxable value of all taxable property subject to ad valorem property taxes within the tax
36 allocation district minus the tax allocation increment base and a denominator equal to that
37 year's taxable value of all taxable property subject to ad valorem property taxes within

the tax allocation district. In any year, a tax allocation increment is 'positive' if the tax allocation increment base is less than that year's taxable value of all taxable property subject to ad valorem property taxes and 'negative' if such base exceeds such taxable value.

(15) 'Tax allocation increment base' means the taxable value of all taxable property subject to ad valorem property taxes, as certified by the state revenue commissioner, located within a tax allocation district on the effective date such district is created pursuant to Code Section 36-44-8.

(16) 'Taxable property' means all real and personal property subject to ad valorem taxation by a political subdivision, including property subject to local ad valorem taxation for educational purposes.

(17) 'Taxable value' means the current assessed value of taxable property as shown on the tax digest of the county in which the property is located."

SECTION 2.

Said chapter is further amended by revising Code Section 36-44-5, relating to redevelopment powers of political subdivisions, as follows:

"36-44-5.

(a) Subject to the limitation of subsection (b) of this Code section, a political subdivision may exercise any powers necessary or convenient to carry out the purposes of this chapter, including, but not limited to, the power to:

(1) Describe the boundaries of one or more redevelopment areas within its area of operation, but any redevelopment area so described shall conform to the definition of a redevelopment area provided by paragraph (7) of Code Section 36-44-3;

(2) Cause redevelopment plans to be prepared, to approve by resolution the plans, and to implement the provisions and effectuate the purposes of the plans;

(3) Create within redevelopment areas tax allocation districts and define the boundaries thereof or designate an entire redevelopment area as a tax allocation district;

(4) Define the boundaries of portions of a redevelopment area or an entire redevelopment area for the implementation of redevelopment plans other than plans calling for the creation of tax allocation districts;

(5) Issue tax allocation bonds individually or jointly or in cooperation with one or more additional political subdivisions;

(6) Deposit moneys into and disburse moneys from the special fund of any tax allocation district;

(7) Enter into and execute any contracts, leases, mortgages, or other agreements, including agreements with bondholders or lenders, determined by the local legislative

body to be necessary or convenient to implement the provisions and effectuate the purposes of redevelopment plans. The contracts or agreements may include conditions, restrictions, or covenants which either run with the land or otherwise regulate the use of land;

(8) Acquire and retain or acquire and dispose of property or interests therein for redevelopment purposes or use or dispose of property or interests therein presently owned by the political subdivision for redevelopment purposes; and any disposition of such property or interests therein may be by public or private sale or lease; and

(9) Exercise, for the purposes of this chapter, any powers conferred upon political subdivisions by Chapter 61 of this title, the 'Urban Redevelopment Law.'

(b) The powers granted to political subdivisions by subsection (a) of this Code section and by this chapter and any powers delegated to a redevelopment agency pursuant to Code Section 36-44-6 may be exercised only for the purpose of adopting and implementing redevelopment plans, but this limitation shall not be construed to interfere with the exercise of any power now or hereafter possessed by a political subdivision which is granted by any other law."

SECTION 3.

Said chapter is further amended by revising Code Section 36-44-6, relating to delegation of redevelopment powers to a redevelopment agency, as follows:

"36-44-6.

(a) Subject to the limitations of subsection (b) of this Code section, the local legislative body of a political subdivision, by resolution, may delegate any of its redevelopment powers to its redevelopment agency created or designated pursuant to Code Section 36-44-4. Any common redevelopment agency created pursuant to subsection (d) of Code Section 36-44-4 shall be authorized, subject to any limitation as may be imposed by the respective participant local legislative bodies, to undertake to finance, wholly or partly, redevelopment costs, as defined in this chapter, within a tax allocation district created for a combined redevelopment area. The local legislative body shall have authority to delegate some or all such powers in such manner and pursuant to such terms and conditions as the local legislative body shall provide by resolution. Any such resolution shall specify any powers delegated to a redevelopment agency, and such resolution may be amended, modified, or repealed by the local legislative body adopting it.

(b) Any delegation of redevelopment powers pursuant to the authority of subsection (a) of this Code section shall be limited by the following requirements:

(1) Any redevelopment plan must be approved by resolution of the local legislative body of the political subdivision as a condition precedent to the implementation of said

1 redevelopment plan, and such approval shall be subject to the requirements of Code
2 Section 36-44-7;

3 (2) The boundaries of any redevelopment area must be described by resolution of the
4 local legislative body of the political subdivision;

5 (3) A tax allocation district must be created by resolution of the local legislative body of
6 the political subdivision;

7 (4) The issuance of any tax allocation bonds shall be by resolution of the local legislative
8 body of the political subdivision, except in the case of a common redevelopment agency
9 created pursuant to subsection (d) of Code Section 36-44-4 where the delegation of the
10 power to issue tax allocation bonds by the common redevelopment agency shall be by
11 resolution of the respective participant local legislative bodies;

12 (5) ~~Except as provided in subsection (c) of this Code section, the~~ The power of eminent
13 domain may only be exercised under this chapter by the local legislative body of a
14 political subdivision; and

15 (6) A local legislative body may not delegate to a redevelopment agency created under
16 subsection (b), (c), (d), or (e) of Code Section 36-44-4 any urban redevelopment project
17 powers except those which may be conferred on an urban redevelopment agency under
18 Code Section 36-61-17 of the 'Urban Redevelopment Law.'

19 SECTION 4.

20 Said chapter is further amended by adding a new subsection to Code Section 36-44-9,
21 relating to computation of tax allocation increments of tax allocation districts, to read as
22 follows:

23 "(g) When a tax allocation district is created within the combined area of operation of
24 political subdivisions which have adopted a combined redevelopment plan pursuant to
25 subparagraph (S) of paragraph (9) of Code Section 36-44-3, property taxes for computing
26 tax allocation increments shall be based on ad valorem property taxes levied for
27 governmental purposes or educational purposes of each political subdivision or board of
28 education consenting to the combined redevelopment plan, except as otherwise conditioned
29 by resolution of the local legislative bodies of the respective political subdivision or board
30 of education."

31 SECTION 5.

32 Said chapter is further amended by revising Code Section 36-44-11, relating to allocation of
33 positive tax allocation increments, as follows:

1 "36-44-11.

2 (a) Positive tax allocation increments of a tax allocation district shall be allocated to the
3 political subdivision which created the district for each year from the effective date of the
4 creation of the district until that time when all redevelopment costs and all tax allocation
5 bonds of the district have been paid or provided for, subject to any agreement with
6 bondholders. General funds derived from the tax allocation district which have been
7 pledged for payment or security for payment of tax allocation bonds and other
8 redevelopment costs of the tax allocation district shall also be allocated to the political
9 subdivision which created the district for each year from the effective date of the creation
10 of the district until that time when all redevelopment costs and all tax allocation bonds have
11 been paid or provided for, subject to any agreement with bondholders.

12 (b)(1) Each county tax collector or tax commissioner, municipal official responsible for
13 collecting municipal ad valorem property taxes, or consolidated government official
14 responsible for collecting consolidated government ad valorem property taxes shall, on
15 the dates provided by law for the payment of taxes collected to the respective political
16 subdivisions, pay over to the appropriate fiscal officer of each political subdivision
17 having created a tax allocation district, out of taxes collected on behalf of such political
18 subdivision, including but not limited to taxes collected for a political subdivision or
19 board of education consenting, pursuant to Code Section 36-44-9, to inclusion of its ad
20 valorem property taxes in the computation of tax allocation increments for that tax
21 allocation district, that portion, if any, which represents positive tax allocation increments
22 payable to such political subdivision.

23 (2) In addition, each county shall, upon receipt, pay over to the appropriate fiscal officer
24 of each municipality or common redevelopment agency in the case of a tax allocation
25 district for a combined redevelopment area having created a tax allocation district that
26 portion, if any, of its general funds derived from the tax allocation district which have
27 been pledged for payment or security for payment of tax allocation bonds and for
28 payment of other redevelopment costs of the tax allocation district pursuant to Code
29 Section 36-44-9.

30 (3) In the case of a tax allocation district created within the combined areas of operation
31 of political subdivisions which have adopted a combined redevelopment plan pursuant
32 to subparagraph (S) of paragraph (9) of Code Section 36-44-3, each of the respective tax
33 collectors, tax commissioners, municipal officials, or consolidated government officials
34 responsible for collecting ad valorem property taxes shall pay such amounts to the
35 designated fiscal officer of the common redevelopment agency for deposit into a
36 combined special fund.

(c) All positive tax allocation increments received for a tax allocation district shall be deposited into a special fund for the district upon receipt by the fiscal officer of the political subdivision or common redevelopment agency in the case of a tax allocation district for a combined redevelopment area. All general funds derived from the tax allocation district which have been pledged for payment or security for payment of tax allocation bonds and other redevelopment costs of the tax allocation district shall be deposited upon receipt into the special fund. Any lease or other contract payments made under the district's redevelopment plan shall also be deposited upon receipt into the special fund. Moneys derived from positive tax allocation increments, general fund moneys, and moneys derived from lease or other contract payments shall be accounted for separately within the special fund. Moneys shall be paid out of the fund only to pay redevelopment costs of the district or to satisfy claims of holders of tax allocation bonds issued for the district. The local legislative body shall irrevocably pledge all or a part of such special fund to the payment of the tax allocation bonds. The special fund or designated part thereof may thereafter be used only for the payment of the tax allocation bonds and interest until they have been fully paid, and a holder of said bonds shall have a lien against the special fund or said designated part thereof pledged for payment of said bonds and may either at law or in equity protect and enforce the lien. General funds derived from the tax allocation district may be used for payment of tax allocation bonds only to the extent that positive tax allocation increments and lease or other contract payments in the special fund are insufficient at any time to pay principal and interest due on such bonds. Subject to any agreement with bondholders, moneys in the fund may be temporarily invested in the same manner as other funds of the political subdivision. Except as provided in Code Section 36-44-20, general funds derived from the tax allocation district may be used for payment of tax allocation bonds only to the extent that positive tax allocation increments and lease or other contract payments in the special fund are insufficient at any time to pay the principal and interest due on such bonds. After all redevelopment costs and all tax allocation bonds of the district have been paid or provided for, subject to any agreement with bondholders, if there remains in the fund any moneys derived from positive tax allocation increments, they shall be paid over to each county, municipality, consolidated government, or county or independent board of education whose ad valorem property taxes were affected by the tax allocation district in proportion to the aggregate contribution of such taxes by such political subdivision less aggregate payments to such political subdivision pursuant to subparagraph (G) of paragraph (8) of Code Section 36-44-3 and in the same manner as the most recent distribution by the county tax collector or tax commissioner, municipal official responsible for collecting municipal ad valorem property taxes, or consolidated government official responsible for collecting consolidated government ad valorem property taxes. If there

remains in the fund any other moneys, they shall be paid over to each political subdivision which contributed to the fund in proportion to the respective total contribution each made to the fund."

SECTION 6.

Said chapter is further amended by revising Code Section 36-44-13, relating to payment of redevelopment costs, as follows:

"36-44-13.

Payment of redevelopment costs may be made by any of the following methods or any combination thereof:

(1) Payment by the political subdivision or common redevelopment agency in the case of a tax allocation district for a combined redevelopment area from the special fund of the tax allocation district;

(2) Payment from the general funds of a political subdivision subject to the limitations of Code Sections 36-44-9 and 36-44-20;

(3) Payment out of the proceeds of the sale of revenue bonds issued by the political subdivision pursuant to Chapter 61 of this title, the 'Urban Redevelopment Law,' and revenue bonds may be issued under such law for redevelopment purposes within the meaning of this chapter;

(4) Payment out of the proceeds of the sale of tax allocation bonds issued by the political subdivision under this chapter;

(5) Payment from the proceeds from any loans made to a political subdivision pursuant to the authority of Code Section 36-44-16; ~~and~~

(6) Lease payments and other payments pursuant to contracts under a redevelopment plan; and

(7) Payment out of the proceeds of the sale of revenue bonds issued by a common redevelopment agency."

SECTION 7.

Said chapter is further amended by revising Code Section 36-44-14, relating to issuance of tax allocation bonds, as follows:

"36-44-14.

(a) Only for the purpose of paying redevelopment costs for a tax allocation district created under this chapter, the local legislative body or the local legislative bodies of two or more political subdivisions acting jointly or in cooperation with one another or by or through a common redevelopment agency created to serve such participating political subdivisions as provided in subsection (d) of Code Section 36-44-4 may issue tax allocation bonds. Tax

1 allocation bonds are declared to be negotiable instruments. Tax allocation bonds issued
2 under the provisions of this chapter are declared to be issued for an essential public and
3 governmental purpose and, together with interest thereon and income therefrom, shall be
4 exempted from all taxes.

5 (b) All tax allocation bonds, notes, and other obligations shall be authorized by resolution
6 of the local legislative body, adopted by a majority vote of the members thereof at a regular
7 or special meeting and without the necessity of a referendum or any electoral approval. The
8 resolution shall state the name of the tax allocation district and the aggregate principal
9 amount of the tax allocation bonds authorized.

10 (c) Tax allocation bonds, notes, or other obligations issued by a local legislative body
11 under this chapter shall be payable solely from the property pledged, mortgaged, conveyed,
12 assigned, hypothecated, or otherwise encumbered to secure or to pay such bonds, notes, or
13 other obligations, which property shall be limited to real or personal property acquired
14 pursuant to this chapter and the proceeds from any source from which redevelopment costs
15 may be paid under Code Section 36-44-13, but subject to the limitations of Code Sections
16 36-44-9 and 36-44-20. Each such bond, note, or other obligation shall contain recitals as
17 are necessary to show that it is only so payable and that it does not otherwise constitute an
18 indebtedness or a charge against the general taxing power of the political subdivision or
19 county or independent board of education consenting to the use of property taxes as a basis
20 for computing tax allocation increments or consenting to the use of general funds derived
21 from the tax allocation district.

22 (d) To increase the security and marketability of tax allocation bonds, notes, or other
23 obligations, a local legislative body may:

24 (1) Create a lien for the benefit of the bondholders upon any public improvements or
25 public works financed thereby or the revenues therefrom; and

26 (2) Make covenants and do any and all acts not inconsistent with the Constitution or this
27 chapter as may be necessary or convenient or desirable in order additionally to secure tax
28 allocation bonds, notes, or other obligations or tend to make them more marketable
29 according to the best judgment of the local legislative body.

30 (e) Tax allocation bonds, notes, or other obligations shall bear such date or dates, shall
31 mature at such time or times not more than 30 years from their respective dates, shall bear
32 interest at such rate or rates which may be fixed or may fluctuate or otherwise change from
33 time to time, shall be subject to redemption on such terms, and shall contain such other
34 terms, provisions, covenants, assignments, and conditions as the resolution authorizing the
35 issuance of such bonds, notes, or other obligations may permit or provide. The terms,
36 provisions, covenants, assignments, and conditions contained in or provided or permitted
37 by any resolution of the local legislative body authorizing the issuance of such tax

1 allocation bonds, notes, or other obligations shall bind the members of the local legislative
2 body then in office and their successors.

3 (f) The local legislative body shall have power from time to time and whenever it deems
4 it expedient to refund any tax allocation bonds by the issuance of new tax allocation bonds,
5 whether or not the bonds to be refunded have matured, and may issue such bonds partly to
6 refund bonds then outstanding and partly for any other purpose permitted under this
7 chapter. The refunding bonds may be exchanged for the bonds to be refunded, with such
8 cash adjustments as may be agreed upon, or may be sold at such price as the local
9 legislative body may determine and the proceeds applied to the purchase or redemption of
10 the bonds to be refunded.

11 (g) Tax allocation bonds may not be issued in an amount exceeding the estimated
12 aggregated redevelopment costs for the tax allocation district. Any limitations with respect
13 to interest rates or any maximum interest rate or rates found in Article 3 of Chapter 82 of
14 this title, the 'Revenue Bond Law,' the usury laws of this state, or any other laws of this
15 state shall not apply to tax allocation bonds, notes, or other obligations of a local legislative
16 body.

17 (h) All tax allocation bonds issued by a local legislative body under this chapter shall be
18 issued and validated under and in accordance with Article 3 of Chapter 82 of this title, the
19 'Revenue Bond Law,' except as provided in this chapter.

20 (i) Tax allocation bonds issued by a local legislative body may be in such form and may
21 be subject to such exchangeability and transferability provisions as the bond resolution
22 authorizing the issuance of such bonds or any indenture or trust agreement may provide.

23 (j) Tax allocation bonds shall bear a certificate of validation. The signature of the clerk of
24 the superior court of the county in which the issuing local legislative body is located may
25 be made on the certificate of validation of such bonds by facsimile or by manual execution,
26 stating the date on which such bonds were validated; and such entry shall be original
27 evidence of the fact of judgment and shall be received as original evidence in any court in
28 this state.

29 (k) In lieu of specifying the rate or rates of interest which tax allocation bonds to be issued
30 by a local legislative body are to bear, the notice to the district attorney or the Attorney
31 General, the notice to the public of the time, place, and date of the validation hearing, and
32 the petition and complaint for validation may state that the bonds when issued will bear
33 interest at a rate not exceeding a maximum per annum rate of interest, which rate may be
34 fixed or may fluctuate or otherwise change from time to time, specified in such notices and
35 petition and complaint or may state that, in the event the bonds are to bear different rates
36 of interest for different maturity dates, none of such rates will exceed the maximum rate
37 so specified, which rate may be fixed or may fluctuate or otherwise change from time to

1 time; provided, however, that nothing in this Code section shall be construed as prohibiting
2 or restricting the right of a local legislative body to sell such tax allocation bonds at a
3 discount, even if in doing so the effective interest cost resulting therefrom would exceed
4 the maximum per annum interest rate specified in such notices and in the petition and
5 complaint.

6 (l) The term 'redevelopment costs' shall have the meaning prescribed in this chapter
7 whenever that term is referred to in tax allocation bond resolutions of a local legislative
8 body, in tax allocation bonds, notes, or other obligations of a local legislative body, or in
9 notices or proceedings to validate such bonds, notes, or other obligations of a local
10 legislative body.

11 (m) Subject to the limitations and procedures provided by this chapter, the agreements or
12 instruments executed by a local legislative body may contain such provisions not
13 inconsistent with law as shall be determined by the local legislative body.

14 (n) The proceeds derived from the sale of all tax allocation bonds, notes, and other
15 obligations issued by a local legislative body shall be held and used for the ultimate
16 purpose of paying, directly or indirectly as permitted in this chapter, redevelopment costs
17 or for the purpose of refunding any tax allocation bonds, notes, or other obligations issued
18 in accordance with this chapter.

19 (o) Issuance by a local legislative body of one or more series of tax allocation bonds,
20 notes, or other obligations for one or more purposes shall not preclude it from issuing other
21 tax allocation bonds, notes, or other obligations in connection with the same redevelopment
22 plan or with any other redevelopment plan; but the proceeding wherein any subsequent
23 bonds, notes, or other obligations are issued shall recognize and protect any prior loan
24 agreement, mortgage, deed to secure debt, trust deed, security agreement, or other
25 agreement or instrument made for any prior issue of bonds, notes, or other obligations,
26 unless in the resolution authorizing such prior issue the right is expressly reserved to the
27 local legislative body to issue subsequent bonds, notes, or other obligations on a parity with
28 such prior issue.

29 (p) A local legislative body shall have the power and is authorized, whenever tax
30 allocation bonds of the local legislative body shall have been validated as provided in this
31 chapter, to issue from time to time its notes in anticipation of such bonds as validated and
32 to renew from time to time any such notes by the issuance of new notes, whether or not the
33 notes to be renewed have matured. The local legislative body may issue such bond
34 anticipation notes only to provide funds which would otherwise be provided by the
35 issuance of the bonds as validated. Such notes may be authorized, sold, executed, and
36 delivered in the same manner as bonds. As with its bonds, the local legislative body may
37 sell such notes at public sale or at private sale. Any resolution or resolutions authorizing

1 such notes of the local legislative body or any issue thereof may contain any provisions
2 which the local legislative body is authorized to include in any resolution or resolutions
3 authorizing bonds of the local legislative body to any issue thereof; and the local legislative
4 body may include in any such notes any terms, covenants, or conditions which the local
5 legislative body is authorized to include in any bonds. Validation of such bonds shall be
6 a condition precedent to the issuance of such notes, but it shall not be required that such
7 notes be judicially validated. Bond anticipation notes shall not be issued in an amount
8 exceeding the par value of the bonds in anticipation of which they are to be issued."

9 **SECTION 8.**

10 Said chapter is further amended by revising Code Section 36-44-16, relating to loans for
11 financing redevelopment costs, as follows:

12 "36-44-16.

13 As an additional source for financing redevelopment costs;:

14 (1) A political subdivision or its redevelopment agency may borrow funds from
15 financial institutions and, in connection therewith, may pledge or assign lease contracts
16 or revenue received from lease contracts on property owned by the political subdivision
17 or its redevelopment agency within a redevelopment area. A political subdivision or its
18 redevelopment agency is authorized to enter into contracts with financial institutions for
19 the purpose of exercising the authority provided by this Code section, and such contracts
20 may obligate the political subdivision or its redevelopment agency for any number of
21 years not exceeding 25. Contractual obligations incurred by a political subdivision
22 pursuant to this Code section shall not constitute debt within the meaning of Article IX,
23 Section V of the Constitution; or

24 (2) In the case of a tax allocation district created for a combined redevelopment area, the
25 common redevelopment agency may issue its revenue bonds, if authorized by the law
26 creating such agency, secured by an intergovernmental agreement with one or more of
27 the political subdivisions forming the combined redevelopment area, pursuant to which
28 the political subdivisions may assign their rights in the combined special fund and in tax
29 increment revenues derived from their respective jurisdictions in consideration of the
30 combined redevelopment agency undertaking to implement the combined redevelopment
31 plan and to finance redevelopment costs for such plan."

32 **SECTION 9.**

33 All laws and parts of laws in conflict with this Act are repealed.